

Under the Use Tax Act, a tax is imposed upon the privilege of using in this State tangible personal property purchased at retail from a retailer. See 86 Ill. Adm. Code 150.101. (This is a GIL).

November 8, 1999

Dear Xxxxx:

This letter is in response to your letter dated June 3, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am with the U.S. Armed Forces serving in Germany. I am writing to request information regarding sales tax and import taxes on new cars. In these times of financial cutbacks, I have no resources which will provide the information I need.

More specifically, if a soldier purchases a new car here in Germany and has the car shipped to your state either on military orders or to retire, will he/she have to pay any taxes or fees to register their vehicle? If yes, do you have a provision that states if the car is driven for a certain number of months or accrues a certain number of miles then it is no longer considered a new car and therefore, no taxes or fees are due upon registration or the amount due less? If soldiers are residents of different states temporarily residing in your state for military duty, will the registration fee be lower?

Please send as much information as possible since we are frequently asked about this subject. We greatly appreciate your assistance so we may better serve the 5000 soldiers, civilians and family members in our community.

Under the Use Tax Act, a tax is imposed upon the privilege of using in this State tangible personal property purchased at retail from a retailer. 35 ILCS 105/3; see 86 Ill. Adm. Code 150.101. In other words, the Use Tax applies when tangible personal property is purchased anywhere at retail from a retailer and brought into this State for use.

Form RUT-25, Use Tax Return, is used to remit Use Tax to the Department if a new or used motor vehicle, watercraft, or aircraft is purchased from an out-of-State retailer. Please note that the Use Tax does not apply to the use, in this

State, of tangible personal property acquired outside this State by a nonresident individual and brought into this State by such individual for his or her own use while temporarily within this State or while passing through this State. See 86 Ill. Adm. Code 150.310, enclosed. In addition, the Use Tax does not apply to the use, in this State, of tangible personal property which is acquired outside this State by a nonresident individual who then brings the property to this State for use here, and who shall have used the property outside this State for at least 3 months before bringing the property to this State. See the enclosed copy of 86 Ill. Adm. Code 150.315. It appears that soldiers who are residents of other states and who temporarily reside in Illinois for military duty are generally considered nonresident individuals. Illinois will give a credit for taxes properly due and paid in another state; however, no credit is given for taxes properly due and paid to a foreign government. See 86 Ill. Adm. Code 150.310. In addition, depreciation is allowed for out-of-State use. See 86 Ill. Adm. Code 150.110.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.